SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1998.

Commission file no. 0-545.

Moore Products Co.

(Exact name of Registrant as specified in its charter)

Pennsylvania	23-1427830
(State of incorporation)	(I.R.S. Employer Identification No.)
Spring House, Pennsylvania	19477-0900
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (215) 646-7400

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $1 Par Value

(Title of class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

The aggregate market value of voting stock of the Registrant held by nonaffiliates (as explained at the end of Part I, Item 4 of this report) as of March 1, 1999, was approximately $48,300,000.

Common stock outstanding at March 1, 1999, was 2,637,091 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual shareholders meeting to be held April 30, 1999, are incorporated by reference into Part III of this report.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X].

This report contains various forward-looking statements and includes assumptions concerning Moore's operations, future results, and prospects. These forward-looking statements are based on current expectations and are subject to risks and uncertainties. The company does not undertake any obligation to publicly release the results of any revisions that may be made to these forward-looking statements to reflect any future events or circumstances.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Moore provides this cautionary statement identifying important factors that, among others, could cause the actual results and events to differ materially from those set forth in or implied by forward-looking statements and related assumptions. Such factors include, but are not limited to: product demand and market acceptance risks; the effect of global economic conditions; the impact of competitive products and pricing; product development, commercialization and technological difficulties; capacity and supply constraints or difficulties; availability of capital resources; general business conditions; changes in government laws and regulations, including taxes; and uncertainties related to Year 2000 issues. Further information concerning factors that potentially could materially affect the company's financial results is included in the company's Form 10-K, 10-Q and 8-K reports filed, from time to time, with the Securities and Exchange Commission.

PART I

Item 1. Business.

Moore Products Co. ("Moore" or "the company") was originally organized in 1940 as a partnership and incorporated in the Commonwealth of Pennsylvania in December 1953. While Moore has not changed its legal name, in 1998 the company adopted the operational name of Moore Process Automation Solutions for marketing and promotional purposes.

Moore develops, manufactures, sells, and supports advanced instruments and systems used in the measurement and control of industrial manufacturing processes. These instruments and systems include process automation systems and the associated services that comprise a complete solution for a particular customer application, process control instrumentation for specific measurement or control needs, dimensional measuring gages, and high-precision metrology calibration systems. The following table sets forth the percentage of Moore's revenue for each of its product lines, with products and services sold as parts of systems being included within systems revenue:

Revenue by Product Line

	1998	1997	1996
Process Automation Systems	56%	51%	43%
Process Control Instrumentation	27%	34%	42%
Dimensional Measurement Products	17%	15%	15%

Many of Moore's products are of standard design and are sold from stock or integrated as standard components into larger process automation systems; some products are custom engineered and manufactured to order. The process automation instruments and systems measure and control process variables such as temperature, pressure, flow of liquid

or gas, liquid level, and others found in industries such as chemical, pharmaceutical, hydrocarbon processing, pulp and paper, and power generation. Instrument products include XTC(R) transmitters and transmitter-controllers for measuring and controlling a single process variable, local and unit controllers such as the Moore 353 process automation controller and Moore 354 universal control station, and the Moore FieldPAC(R) field controller. System products include the APACS+(TM) process automation system and the QUADLOG(R) safety PLC. These systems include a combination of hardware and software, and can also include optional services that provide access to Moore's process automation expertise, such as engineering services, training, and technical support.

Metrology products, dimensional gages, and statistical process control systems verify critical measurements. They are used in quality-related applications in high-precision calibration laboratories and in the manufacture of precision and discrete parts such as is found in the automotive industry.

In recent years, Moore has seen significant sales growth in process automation systems and services and large-scale dimensional measurement systems.

Significant product advancements over the past year include the APACS+ process automation system, which represents substantial new functionality built into the APACS system; the XTC Critical Transmitter, which is the first pressure transmitter certified for critical measurement applications; and new control and statistical process control (SPC) functionality for the MPACS(TM) dimensional measurement system.

Moore's primary business is capital equipment. As such, it is subject to the cyclical nature of commitments to new or replacement manufacturing facilities and equipment by the industries served. Moore's business is not generally seasonal, but from time to time follows a pattern of higher shipments in the second half of the calendar year in response to customers' capital expenditure cycles.

Markets:

Moore's principal markets are batch and continuous process automation and safety applications in the chemical, pharmaceutical, hydrocarbon processing, pulp and paper, and power generation industries; precision discrete parts manufacturing applications in industries such as aeronautical and automotive; and calibration laboratories. Moore's systems are often sold in significant dollar amounts as part of major customer projects. Quarterly and annual sales results can be significantly influenced by the timing of the shipment of these orders.

Sales and Distribution:

Moore's United States sales are made primarily through factory-trained employees of its own organization, located in its sales offices in 35 cities. Moore also markets its products through other independent channels, such as engineering integrators, value added resellers, original equipment manufacturers, sales representatives, and integrated supply distributors. Some customers in Moore's industry, as in many other markets, are consolidating their supplier base and are entering into strategic business relationships or alliances.

International sales and customer support are handled through a combination of 9 subsidiaries and approximately 130 sales representatives appointed by Moore or its subsidiaries strategically located throughout the world. Sales in Canada, Europe and Mexico are made through Moore's wholly-owned or majority-owned Canadian, English, Dutch, Italian, and Mexican subsidiaries, Moore Products Co. (Canada) Inc., Moore Products Co. (U.K.) Limited, Moore

Products Co. B.V., Moore Products Co. (Italia) S.r.l., and Moore Products de Mexico S.A. de C.V. Sales in the Asia-Pacific region are also supported through wholly-owned subsidiaries in Australia and Singapore by Moore Products Co. (Australia) Pty. Ltd. and Moore Products Co (S) Pte Ltd. Sales in India and South Africa are made through jointly-owned subsidiaries, Moore Controls Pvt. Limited and Moore Controls S.A. (Pty.) Ltd., respectively.

Raw Materials and Components:

In its manufacturing operation, Moore uses common metals (aluminum, brass, stainless steel), various synthetic materials, forgings and castings, and electronic components. Moore is experiencing no significant shortages in raw materials at this time which would be expected to have a serious effect on the delivery aspect of Moore's business, although occasional disruption in the availability of certain electronic components can impact the scheduled manufacture and shipment of some products. In most instances, Moore has more than one source of supply for its material requirements.

Patents, Trademarks, and Licenses:

Moore applies for patents on inventions and developments that it considers clearly patentable and desirable with respect to its products. As of December 31, 1998, Moore owned several unexpired United States patents and unexpired international patents, none of which is considered individually to be material to its business.

Considered to be of greater importance to its business is Moore's "know-how" in manufacturing products, including those covered by patents which have expired. Moore has from time to time granted "know-how" licenses to others and has been licensed by others to manufacture certain products, but none of these licenses is believed to be material to Moore. In addition, Moore has distribution and/or license rights of varying terms in hardware and software products developed by other companies, some of whom are regarded as competitors. In the judgment of management, such rights are adequate for the conduct of the business being done by Moore.

Several of Moore's products are sold under trademarks, some of which are registered. Examples of these include: PROCESSSUITE(R), THE SAFETY PLC(R), VIEWPAC(R), MOORE FIELDPAC(R), QUADLOG(R), APACS(R), APACS+(TM), 4-MATION(R), XTC(R), LABMASTER(R), and LASERULER(R). In addition, Moore conducts business under the registered trademarks of "MOORE(R)" in block letters and logo form, and "PRATT & WHITNEY(R)" and "P&W(R)" in logo form, which provide unique identity within its industry.

Backlog:

As of December 31, 1998, Moore had a total consolidated backlog of orders, believed by it to be firm, amounting to $44,127,000. Moore expects that substantially all such orders will be filled within the current fiscal year. As of December 31, 1997, Moore had a total consolidated backlog of orders amounting to $38,344,000.

Competition:

The process measurement and control industry is highly competitive and subject to technological changes in both hardware and software development. Moore is a medium-sized company offering measurement and control solutions and technologies, serving the continuous process, batch process, power generation, and discrete parts manufacturing industries. It is one of a limited number of companies with the capability to bid as manufacturer for complete process instrumentation projects, such as chemical, pharmaceutical, or natural gas plants. Competition in Moore's industry has intensified as competitors have combined and markets, customers, and competitors have become increasingly global in their focus. Moore maintains its position in the industry by the quality and performance of its existing products, and technical innovation of new and enhanced products, so as to provide customers with greater functionality and reliability than are available from competitors. Relative price/performance, product features, availability, service, and support also are important factors.

Moore's principal competitors in the industry (all of whom are larger than Moore) are The Foxboro Company, a unit of SIEBE plc; ABB Process Automation, Inc., ABB Kent-Taylor Inc., and Elsag Bailey Process Automation, units of ABB Asea Brown Boveri, Inc.; the Industrial Automation & Control Division of Honeywell, Inc.; Fisher-Rosemount, a unit of Emerson Electric Co.; Yokogawa Electric Corporation; Rockwell Automation, a unit of Rockwell International Corp.; Marposs Corp.; and ITW Heartland.

Research Activities:

Moore's products provide for integration of several complex technologies including, but not limited to, electronics, mechanical design, and software. Research and development has consistently been a central strategic commitment. Moore views continued investment in new product development and product enhancements as a significant factor to long-range success. Approximately $12,291,000 was spent during 1998, $11,697,000 during 1997, and $11,416,000 during 1996 on company-sponsored research activities relating to the development of new products or the improvement of existing products. These amounts represented 7.3%, 7.1% and 8.0%, respectively, of total revenues in those years. The amount spent on customer-sponsored research activity was not significant in any of such years. No costs associated with the development of software products are capitalized.

Many of Moore's products are developed on an "open" platform that enables them to be linked to or integrated with other manufacturers' control products and systems. However, maximum functionality and advanced control capabilities are delivered to customers by linking Moore's field instruments and control systems using specially designed software and configuration tools that Moore believes are technologically superior to others available on the market.

During the past several years, Moore has introduced new product offerings and enhancements intended to provide advanced technological solutions to industries seeking efficient control of their manufacturing processes. These products range from remote field transmitter and control devices to sophisticated microcomputer-based control systems including both hardware and software products. Moore's products are linked through a standard industry communication protocol and are custom configured to meet unique requirements of specific customers. Many of these products have been formally recognized with industry awards for their innovation and leading technology. Increased sales volume in the past year is attributed to customer acceptance of these newer products.

Environment:

Compliance with federal, state, and local provisions regulating the discharge of materials into the environment or otherwise relating to the protection of the environment is not expected to have a material effect on the capital expenditures, earnings, or competitive position of Moore and its subsidiaries. Moore's involvement in environmental actions, to date, has been limited to situations where a former licensed waste hauler or a reprocessor of manufacturing byproducts allegedly disposed of de minimis quantities of waste materials from Moore's United States plant to several sites in an unacceptable manner. In these instances Moore has been named as a "potentially responsible party." Annual cash outlays in each of the past two years for claims and assessments relating to these matters have been less than $100,000. In several instances Moore's general liability insurance carrier has agreed to fund any settlements or legal defense costs. In instances where insurance carriers have denied coverage, Moore has estimated its probable liability in consultation with legal counsel. Moore has accrued approximately $470,000 for situations where insurance coverage has been denied. Management believes that such proceedings are not material to its business or financial condition and that it has adequately provided accruals to cover reasonably anticipated ultimate liability resulting from these matters.

Number of Employees:

Moore and its subsidiaries had approximately 1,240 employees as of December 31, 1998.

Foreign and Domestic Operations and Export Sales:

Financial information concerning domestic and foreign operations appears in Note M in the "Notes to Consolidated Financial Statements" and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included as part of this report.

Item 2. Properties.

Moore's principal manufacturing facility and corporate office are contained in a modern steel and masonry building of approximately 374,000 square feet located on 154 acres in Spring House, Montgomery County, Pennsylvania. The building and land at this facility are owned outright by Moore. Moore's Pratt & Whitney Division owns and occupies an 18,000 square foot office and manufacturing facility in Plainville, Connecticut.

Moore's Canadian subsidiary, Moore Products Co. (Canada) Inc., is located in a modern plant and office building of approximately 35,000 square feet on 89 acres of land in Brampton, Ontario, Canada. Both the building and the land are owned outright by Moore's subsidiary.

Moore's English subsidiary, Moore Products Co. (U.K.) Limited, is located in a modern plant and office building of approximately 36,000 square feet on 5 acres of land in Yeovil, Somerset, England. Both the building and land are owned outright by Moore's subsidiary. Moore Measurement Systems, a division of Moore Products Co. (U.K.) Limited, leases an office and manufacturing facility of approximately 23,000 square feet in Hitchin, Hertfordshire, England.

The remaining international subsidiaries occupy leased premises. Moore's leases for branch sales offices and international subsidiaries in the aggregate are not material.

The equipment at Moore's plants, principally machine tools, assembly tools, and automatic testing equipment, some of which was built by Moore itself, is modern and in good condition. Equipment is generally owned outright by Moore.

Moore believes its facilities are adequate and suitable for its purposes.

Item 3. Legal Proceedings.

Moore is party to various legal claims and proceedings that have been initiated or asserted against it in the ordinary course of business, including those pertaining to environmental matters (see Part I - "Environment"). It is the opinion of management that any ultimate losses in connection with these matters and resolution of environmental issues will not have a materially adverse effect on the net income, financial position, or liquidity of Moore.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of security holders during the fourth quarter of 1998.

Additional Information:

The following information is furnished in this report pursuant to Instruction 3 to Item 401(b) of Regulation S-K:

Executive Officers of the Registrant:

Executive officers of Moore are elected annually by the Board of Directors, to serve at the discretion of the Board until their successors are appointed. The names, ages and positions of the executive officers of Moore are listed below along with their business experience during the past five years.

Name, Age and Position	Business Experience During Past Five Years
Donald E. Bogle, 53 President and Chief Executive Officer	Mr. Bogle was elected President and Chief Executive Officer of Moore Products Co. in October 1997. From October 1996 through September 1997, he was President of Honeywell Inc., Home and Building Control. From January 1996 to October 1996, he was Vice President and General Manager of Honeywell's

	worldwide Home and Building Control strategic business unit. From October 1994 to December 1995, he was Vice President and General Manager of Honeywell's worldwide Building Control business. From May 1992 to September 1994, he was Vice President and General Manager of Honeywell's Industrial Automation & Control division.
Edward M. Coll, 49 Vice President, International Sales and Operations	Mr. Coll was elected Vice President, International Sales and Operations, in April 1998. Since 1993, he has also held positions as Vice President, International Sales, Vice President, Sales and Marketing, Vice President and General Manager of the Systems Division, General Manager of the Systems Division and National Sales Manager.

Name, Age and Position	Business Experience During Past Five Years
Edward J. Curry, 52 Executive Vice President and Chief Operating Officer	Mr. Curry was elected Executive Vice President and Chief Operating Officer in September 1995. Prior to the appointment as Chief Operating Officer, he had served as Executive Vice President since 1988.

Richard D. Dunbar, 40 Vice President, Marketing	Mr. Dunbar was elected Vice President, Marketing, in June 1998. From January 1997 until joining Moore, he served as President and Chief Operating Officer of Prospera, Inc. From July 1996 to January 1997, he served as Vice President, Sales and Marketing, of Prospera, Inc. From August 1994 to July 1996, he served as Branch General Manager of Honeywell Inc., Home and Building Control and from April 1994 to August 1994, he served as Director of New Technology Marketing for Honeywell's Industrial Automation & Control division.
Robert D. Greenlaw, 40 Vice President, North American Sales	Mr. Greenlaw was elected Vice President, North American Sales, in August 1998. From July 1997 to this appointment, he served as Vice President, Customer Services. Since 1993, he has also held positions as Director, General Manager, and General Sales Manager of Moore Measurement Systems.
James McDonald, 49 Vice President, Strategic Accounts	Mr. McDonald was elected Vice President, Strategic Accounts, in July 1998. Since 1992 he has also held positions as Vice President, North American Sales, and Vice President, Sales.
William B. Moore, 56 Vice Chairman of the Board and Chief Technology Officer	Mr. Moore was elected Vice Chairman of the Board and Chief Technology Officer in October 1997. Prior to that appointment, he had served as President and Chief Executive Officer since 1988.
Gerald L. Stephens Jr., 48 Vice President, Customer Services	Mr. Stephens was elected Vice President, Customer Services, in August 1998. From 1996 until joining Moore, he served as Vice President of Operations for MAX Control Systems. Prior to that assignment, he served as Vice President of Product Engineering at Simulation Sciences from 1992 to 1996.
Robert E. Wisniewski, 45	Mr. Wisniewski was elected Secretary

Secretary and Treasurer	and Treasurer in May 1993. Prior to this appointment, he had held the positions of Director of Finance and Controller.

For the purposes of calculating the aggregate market value of the shares of the voting stock of Moore held by nonaffiliates, as shown on the cover page of this report, the value of Moore's outstanding preferred stock (which has voting rights and is convertible into common stock but is not publicly traded), which is held entirely by affiliates, has not been included, and it has been assumed that all the other outstanding voting shares (common stock) were held by nonaffiliates except for the shares held or beneficially owned by directors and executive officers of Moore, the Moore Products Co. Pension Plan and by Frances O. Moore, widow of the late Coleman B. Moore, founder of Moore. However, this should not be deemed to constitute an admission that all directors and executive officers of Moore, the Moore Products Co. Pension Plan and/or Frances O. Moore are, in fact, affiliates of Moore, or that there are not other persons who may be deemed to be affiliates of Moore. Further information concerning shareholdings of executive officers, directors and principal shareholders of Moore is included in Moore's definitive proxy statement filed or to be filed with the Securities and Exchange Commission.

PART II

Item 5. Market for Registrant's Common Stock and Related Stockholder Matters.

Moore's common stock is traded on The Nasdaq Stock Market under the symbol "MORP." The table below sets forth the reported high and low sales prices of the common stock and the dividends paid during the two most recent fiscal years.

<TABLE>
<CAPTION>

	1998			1997		
	Market Price		Cash Dividends Paid	Market Price		Cash Dividends Paid
	High	Low		High	Low	
First quarter	$36.5000	$31.5000	$ .40	$26.5000	$18.0000	$ .00
Second quarter	36.0000	27.7500	.00	23.5000	20.7500	.00
Third quarter	30.3750	20.0000	.00	24.5000	21.0000	.00
Fourth quarter	28.0000	18.0000	.00	39.2500	23.3125	.00
Total year			$ .40			$ .00

</TABLE>

Common stockholders of record on December 31, 1998, totaled approximately 855 based on information obtained from Moore's transfer agent.

Item 6. Selected Financial Data.

<TABLE>
<CAPTION>

	As Reported for Year Ended December 31				
	1998	1997	1996	1995	1994
Net sales	$168,113,000	$164,247,000	$142,892,000	$121,037,000	$100,680,000
Net income (loss)	3,591,000	6,468,000	1,278,000	259,000	(1,089,000)
Total assets	101,967,000	93,992,000	86,047,000	78,193,000	60,150,000
Net income (loss) per share:					
Basic	$ 1.37	$ 2.50	$ .49	$ .12	$(.53)
Diluted	1.26	2.31	.47	.12	(.53)
Cash dividends per common share	.40	--	--	--	--

</TABLE>

See Note B in the Notes to Consolidated Financial Statements for explanation of unusual items in 1998 and 1996.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Comparing 1998 to 1997, sales increased $3,866,000 to $168,113,000 from $164,247,000. U.S. sales to unaffiliated customers in 1998 of $120,518,000 were relatively flat compared to 1997, while international sales to unaffiliated customers increased 12% to $47,595,000. The overall growth in sales is primarily attributed to increased sales of process automation and dimensional measurement systems. International sales growth in 1998 occurred primarily in the United Kingdom and Canada. In 1998 and 1997, sales by international subsidiaries and unaffiliated export sales by the U.S. parent company were 37% and 33% of total consolidated sales, respectively.

Order bookings for fiscal 1998 were $175,522,000 compared to $156,603,000 for 1997, an increase of 12%. This increase was primarily attributable to orders placed for process automation systems. The consolidated backlog of unshipped orders as of December 31, 1998, was $44,127,000 compared to $38,344,000 as of December 31, 1997.

Gross profit decreased 8% in 1998 to $63,554,000 compared to $69,138,000 in 1997. Gross profit margin was 38% in 1998 compared to 42% in 1997. Gross profit margin declined primarily as a result of the negative impact of costs to complete a large turnkey project in the United Kingdom. Projects of this type generally yield lower gross margins. Product mix and higher manufacturing costs also contributed to the margin erosion compared to the prior year.

Selling, general and administrative expenses decreased by $3,201,000 in 1998 to $43,843,000 and declined as a percent of sales from 29% in 1997 to 26%. Higher net periodic pension income related to the company's U.S. defined benefit pension plan and a bad debt recovery in Canada are the primary reasons for this decline. Research and development expenses remained at 7% of sales and were $12,291,000 in 1998 compared to $11,697,000 in 1997. Moore continues to make a strong commitment to ongoing product development programs, with technological innovation being the keystone to all product introductions and enhancements. The primary emphasis for research and development in 1998 was the introduction of the APACS+ process automation system. The new and enhanced technology in APACS+, which built on the existing APACS system, is expected to open further opportunities in key market segments, such as batch processes in the chemical and pharmaceutical industries and critical control applications in the chemical, power, and hydrocarbon processing industries. Moore also introduced the XTC Critical Transmitter, the ValvePAC(TM) digital valve controller, and the Universal Supermicrometer.

The 1998 operating results included $944,000 of net gain relating to an early retirement program completed in the fourth quarter.

Interest expense for 1998 was $134,000 compared to $172,000 for 1997. The decrease from last year was attributable to a reduction in average outstanding borrowing levels during 1998.

The company's effective tax rate for 1998 was 56% of pretax income compared to 37% for 1997. Overall, effective tax rates were higher than statutory rates primarily because certain foreign locations incurred operating losses for which the tax benefits were not recorded, since the realization of such benefits is not presently assured. Income tax rates applied to pretax income in the United States approximate statutory rates. Net income for 1998 was $3,591,000 compared to $6,468,000 for 1997. Diluted net income per share was $1.26 for 1998 compared to $2.31 for 1997. The decrease in net income from 1997 to 1998 was due primarily to the lower gross margin discussed above.

Comparing 1997 to 1996, sales increased $21,355,000 or 15% to $164,247,000 from $142,892,000. U.S. sales to unaffiliated customers in 1997 increased 16% to $121,687,000, while international sales to unaffiliated customers increased 12% to $42,560,000. These increases were primarily attributable to increased sales of process automation systems. While the international sales growth in 1997 occurred primarily in the United Kingdom, the Asia-Pacific region also showed improvement from the prior year. In 1997 and 1996, sales by international subsidiaries and unaffiliated export sales by the U.S. parent company were 33% and 36% of total consolidated sales, respectively.

Order bookings for fiscal 1997 were $156,603,000 compared to $152,431,000 for 1996. This increase was primarily due to orders placed for process automation and dimensional measurement systems. The consolidated backlog of unshipped orders as of December 31, 1997, was $38,344,000 compared to $46,110,000 as of

December 31, 1996.

Gross profit increased 17% in 1997 to $69,138,000 compared to $59,141,000 in 1996. Gross profit margin was 42% in 1997 compared to 41% in 1996. The higher gross profit reflected favorable product mix changes related to increased sales of control systems, generally higher levels of sales and production volume, improved manufacturing efficiencies, and cost reductions on other selected product lines.

Selling, general and administrative expenses increased by $1,481,000 in 1997 to $47,044,000 but declined as a percent of sales from 32% in 1996 to 29%. The increase in these expenses was attributed to higher payroll costs and selling expenses in support of Moore's growth. Research and development expenses were $11,697,000 or 7% of revenues in 1997 compared to $11,416,000 or 8% of revenues in 1996. The primary emphasis for research and development in 1997 was the introduction of a new generation of dimensional measurement and analysis instrumentation (MPACS), a Windows(R) NT(TM)-based software package for the APACS system, and the integration of various new value-added control features to this software product. Moore also enhanced the APACS and QUADLOG systems' functionality, and introduced a new Moore 354 universal control station.

The 1996 operating results included $2,056,000 of net gain relating to an early retirement program and a $1,000,000 loss due to the write-down of assets associated with a joint venture in Brazil.

Interest expense for 1997 was $172,000 compared to $466,000 for 1996. The decrease from the prior year was attributed to a reduction in borrowing activity in 1997.

Moore's effective tax rate for 1997 was 37% of pretax income compared to 54% for 1996. The fluctuation in the rates resulted from a changing mix of operating results in countries for which tax loss benefit carryovers were utilized and recognized in 1997. Statutory rates were applied to pretax income in the United States. Consistent with previous reporting periods, tax benefits for losses incurred by certain international subsidiaries in tax jurisdictions outside the United States had not been fully recognized for financial reporting purposes because the realization of such benefits was not assured.

Net income for 1997 was $6,468,000 compared to net income of $1,278,000 for 1996. Diluted net income per share was $2.31 for 1997 compared to $0.47 for 1996. The increase in net income from 1996 to 1997 was due primarily to the higher sales and gross profit discussed above.

1998 Liquidity and Capital Resources

Cash and cash equivalents increased during 1998 by $3,733,000. Positive cash flow of $9,544,000 generated from operations was primarily used to pay a special common stock cash dividend of $1,040,000 and for capital expenditures of $4,658,000. Capital expenditures were related primarily to a new customer demonstration center and to personal computers and network hardware in support of ongoing product development and sales promotion.

Working capital decreased $1,235,000 at December 31, 1998, to $40,000,000 from $41,235,000 at December 31, 1997. Although trade accounts receivable were higher at December 31, 1998, due to increased fourth quarter sales activity, accounts payable and advances from customers were also higher, while inventory levels were reduced by the increased shipments.

At year-end 1998, Moore had lines of credit with U.S. and non-U.S. banks amounting to $15.6 million. Credit agreements for $3.3 million and $12.3 million expire on May 31, 1999, and December 30, 1999, respectively. It is anticipated that such agreements will be extended for additional one-year periods with similar terms and conditions.

Moore had only limited temporary borrowings in 1998 and had no outstanding cash advances under credit arrangements at December 31, 1998.

In evaluating the 1998 operating results and financial condition, the Board of Directors of Moore, at its January 1999 meeting, declared a special 22-cent cash dividend on common stock payable March 1, 1999, to shareholders of record on February 12, 1999. The payment of future common stock dividends will be evaluated on a periodic basis.

Management believes that current cash and cash equivalents, cash flows from operations, and its established credit facilities should be sufficient during fiscal 1999 to fund planned capital expenditures, working capital needs, dividends, and other cash requirements. It is intended that undistributed earnings from non-U.S. subsidiaries will be reinvested in local market growth and support, and will not be repatriated.

Year 2000 Issue

In 1997, Moore began the initial planning of a comprehensive initiative to address the impact of the Year 2000 on its information technology and non-information technology systems and its own products. The company organized a Year 2000 project team to develop a strategy of evaluation, implementation, testing and contingency planning to address Moore's Year 2000 readiness. The evaluation phase involved performing an inventory to identify all internal, general purpose and production hardware and software systems, as well as any embedded logic devices used to control equipment or facilities, that required modification to become Year 2000 compliant. In addition, the company communicated with all key suppliers of goods and services and customers to determine their state of Year 2000 readiness, implementation of compliant systems, and related contingency plans.

Moore's significant U.S.-based business computer systems, including operating and application software, have been modified, tested and are believed to be compliant. The remaining company information technology systems requiring modification or upgrade are in non-U.S. subsidiary locations. These locations, along with certain non-information technology systems, are expected to be compliant by June 1999. Communications with suppliers and customers that interface with Moore's business systems will continue throughout 1999 to try to assure there is not a significant impact on Moore's operations.

Moore has made an assessment of its current offerings and believes that it has identified all products that have date-sensitive software or embedded chips. Analysis by a team of the company's development engineers suggests that Year 2000 and other date-sensitive compliance will have minimal impact on Moore's products. Test plans to confirm proper operation have been developed and are completed for 95% of the potentially affected products. The remaining testing is expected to be completed in the first quarter of 1999.

Amounts expended for Year 2000 projects have not been and are not expected to be significant to Moore's results of operations or financial condition. The total costs of Year 2000 projects, incurred to date and/or expected to be incurred, are currently estimated to be $700,000. Most of these costs involve internal resources committed to testing and evaluation of the company's products and upgrade of existing business systems. These costs are expensed as incurred.

Management believes that it has an effective program in place to resolve the Year 2000 issue in a timely manner. Because of the range of possible issues and the large number of variables involved, it is impossible to quantify the potential cost of problems should Moore or its trading partners fail to complete all Year 2000 plans and become completely Year 2000 compliant. The current assessment is that such costs and failure of compliance efforts would not have a materially adverse effect on the company. Moore believes that the most likely risks of serious Year 2000 business disruption are external in nature, including disruption of utility and transportation services, customers' non-compliance, and disruptions in the general economy. To the extent that these factors impact upon the company's sales or ability to deliver its products and services, they could have a materially adverse effect on the company. In

addition, Moore could be subject to litigation relating to Year 2000 compliance issues. The amount of potential liability and lost revenue cannot be reasonably assessed or estimated at this time.

Because Moore expects to be compliant for all business-critical systems, no contingency plans have been established at this time. The company will reevaluate its readiness and that of its customers and suppliers throughout 1999 and determine what, if any, contingency plans are required at that time.

Market and Other Risks

Moore's primary development and manufacturing activities are located in the United States. Increasing sales of its products into international markets make the company more vulnerable to such factors as foreign currency exchange rates or weak economic conditions in global markets to which Moore distributes its products. The company's operating results are exposed to changes in exchange rates between the U.S. dollar and the Canadian dollar, the U.K. pound sterling, and other currencies in Western Europe and Asia-Pacific. To a certain extent, foreign currency exchange rate movements affect the company's competitive position, as exchange rate changes may influence business practices and/or pricing strategies of non-U.S. based competitors. In addition, transactions between the U.S. parent company and its international subsidiaries, which are generally denominated in U.S. dollars, are subject to gains or losses in the consolidated financial statements. The company does not typically hedge these transactions but attempts to limit exposure to these situations by timely settlement of the U.S. dollar liabilities in the subsidiary locations. The company maintains lines of credit in Canada and the United Kingdom to help facilitate this approach. Foreign exchange transaction losses in 1998 amounted to less than $50,000.

The Economic Monetary Union (EMU) has initiated changes to monetary policy and foreign exchange, including adoption of the Euro as a single currency for several European countries. Based upon Moore's current business structure in Europe, it is anticipated that these changes will not have a material impact on the company. Throughout 1999, Moore will continue to evaluate the implications of this change, including, but not limited to, financial and statutory reporting, the structure of business transactions, business systems that might be required to support the change, and its relative competitive position in geographic markets that participate in the EMU.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

Disclosures about market risk are contained in Item 7 above.

Item 8. Financial Statements and Supplementary Financial Information.

Moore Products Co.

Index To Consolidated Financial Statements

Consolidated Financial Statements included in Item 8:	Page
Consolidated Income Statements for the years ended December 31, 1998, 1997 and 1996	15
Consolidated Balance Sheets as of December 31, 1998 and 1997	16
Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996	17
Notes to Consolidated Financial Statements	18-30
Report of Independent Auditors	31

Consolidated Income Statements

<TABLE>
<CAPTION>

	Year Ended December 31 1998	1997	1996
<S>	<C>	<C>	<C>
NET SALES	$ 168,113,000	$ 164,247,000	$ 142,892,000
Cost of sales	104,559,000	95,109,000	83,751,000
GROSS PROFIT	63,554,000	69,138,000	59,141,000
Selling, research, administrative and general expenses	56,134,000	58,741,000	56,979,000
Write-down of joint venture assets	--	--	1,000,000
Net gain from early retirement programs	(944,000)	--	(2,056,000)
OPERATING INCOME	8,364,000	10,397,000	3,218,000
Interest expense	134,000	172,000	466,000

INCOME BEFORE INCOME TAXES	8,230,000	10,225,000	2,752,000
Income tax provision	4,639,000	3,757,000	1,474,000
NET INCOME	$ 3,591,000	$ 6,468,000	$ 1,278,000
Net income per common share:			
Basic............................	$1.37	$2.50	$ .49
Diluted..........................	$1.26	$2.31	$ .47

</TABLE>

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

<TABLE>
<CAPTION>

ASSETS	December 31 1998	1997
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 7,549,000	$ 3,816,000
Trade accounts receivable, less allowances of $1,213,000 in 1998 and $1,771,000 in 1997	41,945,000	40,768,000
Inventories:		
Completed instruments	2,882,000	3,590,000
Finished parts	7,691,000	9,078,000
Work in process	4,945,000	5,196,000
Raw materials	414,000	453,000
	15,932,000	18,317,000
Prepaid expenses and deferred income taxes	4,394,000	4,209,000
TOTAL CURRENT ASSETS	69,820,000	67,110,000
PROPERTY, PLANT AND EQUIPMENT		
Land	932,000	948,000
Buildings	14,737,000	14,381,000
Machinery and equipment	47,513,000	44,197,000
Less: Accumulated depreciation	(47,267,000)	(44,257,000)
	15,915,000	15,269,000
OTHER ASSETS		
Prepaid pension costs	16,232,000	11,613,000
	$ 101,967,000	$ 93,992,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 10,772,000	$ 8,861,000
Accrued compensation	4,022,000	4,890,000
Advances from customers	5,076,000	2,977,000
Accrued income taxes	1,242,000	1,893,000
Other accrued liabilities	8,708,000	7,254,000
TOTAL CURRENT LIABILITIES	29,820,000	25,875,000
OTHER LIABILITIES		
Postretirement medical benefits and deferred taxes	9,192,000	7,628,000
STOCKHOLDERS' EQUITY		
Preferred Stock, 5% cumulative, voting and convertible, par value $1 per share:		
Authorized - 325,000 shares		
Issued and outstanding - 175,950 shares	176,000	176,000
Common Stock, par value $1 per share:		
Authorized - 7,500,000 shares		
Issued and outstanding - 2,619,471 shares in 1998 and 2,592,628 shares in 1997	2,619,000	2,593,000
Capital in excess of par value	11,479,000	10,980,000

Retained earnings	51,169,000	48,627,000
Accumulated other comprehensive income (loss)	(2,488,000)	(1,887,000)
TOTAL STOCKHOLDERS' EQUITY	62,955,000	60,489,000
	$ 101,967,000	$ 93,992,000

</TABLE>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

	Year Ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	$ 3,591,000	$ 6,468,000	$ 1,278,000
Noncash (income) expenses:			
Depreciation	3,940,000	3,542,000	3,384,000
Deferred income taxes	1,765,000	(147,000)	146,000
Pension and other postretirement benefits	(3,781,000)	(1,890,000)	(805,000)
Net gain from early retirement programs	(944,000)	--	(2,056,000)
Write-down of joint venture assets	--	--	1,000,000
Changes in operating assets and liabilities:			
Trade accounts receivable	(1,177,000)	(10,227,000)	160,000
Inventories	2,385,000	3,162,000	(1,056,000)
Accounts payable	1,911,000	2,546,000	242,000
Other accrued liabilities	1,454,000	2,386,000	787,000
Accrued compensation	(868,000)	2,252,000	332,000
Advances from customers	2,099,000	(2,152,000)	2,563,000
Accrued income taxes	(551,000)	706,000	309,000
Prepaid expenses	(280,000)	134,000	(496,000)
Net cash provided by operating activities	9,544,000	6,780,000	5,788,000
INVESTING ACTIVITY			
Net purchase of property, plant and equipment	(4,658,000)	(2,452,000)	(2,897,000)
FINANCING ACTIVITIES			
Decrease in notes payable to bank	--	(4,230,000)	(76,000)
Proceeds from exercise of stock options	425,000	102,000	45,000
Cash dividends paid	(1,049,000)	(41,000)	--
Net cash used in financing activities	(624,000)	(4,169,000)	(31,000)
Effect of exchange rate changes	(529,000)	(409,000)	103,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,733,000	(250,000)	2,963,000
Cash and cash equivalents at beginning of year	3,816,000	4,066,000	1,103,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,549,000	$ 3,816,000	$ 4,066,000

</TABLE>

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

NOTE A - Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of the company and all subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in affiliated companies that are not majority owned or controlled are accounted for using the equity method.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Sales: The company recognizes revenue from sales of products as shipped and from services as performed.

Cash and Cash Equivalents: The company considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. The value reported for cash and cash equivalents approximates its fair value.

Concentrations of Credit Risk: Financial instruments that potentially subject the company to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The company places its temporary cash investments with high credit quality financial institutions that invest primarily in securities backed by the U.S. government, commercial paper of prime quality, certificates of deposit, and banker's acceptances guaranteed by banks or savings and loan associations that are members of the FDIC. Concentrations of credit risk with respect to trade receivables are limited due to the company's large number of customers and their dispersion across many different industries and countries worldwide. At December 31, 1998, the company had no significant concentrations of credit risk.

Inventories: Inventories are stated at the lower of cost or market. Cost of domestic inventories (approximately 62% of consolidated inventories) was determined by the last-in, first-out (LIFO) method. Current cost exceeded the LIFO value of inventories by approximately $8,700,000 and $8,400,000 at December 31, 1998 and 1997, respectively. Cost of international inventories was determined by the first-in, first-out (FIFO) method.

Property, Plant and Equipment: Property, plant and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the assets using primarily the straight-line method. Useful lives for principal assets are 15 to 30 years for buildings and 3 to 10 years for machinery and equipment.

Currency Translation: Balance sheets of the company's international operations are translated to U.S. dollars at the current exchange rate, and income statements are translated at the average exchange rate for the year; resulting translation adjustments are made directly to a separate component of stockholders' equity. Certain other transaction adjustments are reported in operations.

Research and Development: Research and development costs, which approximated $12,291,000 in 1998, $11,697,000 in 1997, and $11,416,000 in 1996, are expensed as incurred.

NOTE A - Significant Accounting Policies (Continued)

Income Taxes: Income taxes are accounted for under the liability method prescribed by FASB Statement No. 109. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. United States income taxes have not been provided on unremitted earnings of international subsidiaries because the company plans to continue to finance international expansion and operating requirements by reinvestment of such unremitted earnings. It is not practicable to determine the amount of income taxes that would result from remittance of such earnings.

Changes in Presentation of Comparative Statements: Certain reclassifications have been made in prior years' financial statements and quarterly data presented in Note L in order to conform with the current-year basis of presentation.

NOTE B - Nonrecurring/Unusual Items

In 1998 and 1996, the company recorded net pretax gains of $944,000 and $2,056,000, respectively, for the combined effects of settlements, curtailments and special termination benefits in connection with early retirement programs offered to eligible employees in the United States.

In 1996, the company completed a review of joint venture operations in Brazil. As a result of this review and the decision to refocus business activities, all assets related to the joint venture with a carrying value of $1,000,000 were written off.

NOTE C - Credit Agreements

At December 31, 1998, the company had lines of credit with U.S. and non-U.S. banks of approximately $15,600,000, including a $12,300,000 combined U.S. dollar/U.K. pound sterling committed revolving credit facility with terms extending through December 30, 1999. The agreements provide the lender with a security interest in trade accounts receivable and inventory of the U.S.-based parent company. The loan agreement further requires maintenance of certain restrictive financial covenants, including a limitation on the amount of dividends paid per year. These restrictions are not likely to affect the payment of dividends. There were no outstanding cash advances under this facility at December 31, 1998, or December 31, 1997. Cash advances are made at interest rates tied to the bank's prime or LIBOR. As of December 31, 1998, this line of credit supported approximately $250,000 of outstanding letters of credit and approximately $650,000 of financial guarantees arising out of routine trade activities.

The company's Canadian subsidiary has a $3,300,000 credit facility subject to an annual renewal and extension on May 31, 1999. Under terms of the agreement, the lender has a security interest in certain assets of the Canadian subsidiary. The loan agreement requires maintenance of certain restrictive financial covenants. There were no outstanding cash advances under this facility at December 31, 1998, or December 31, 1997. Cash advances are made at rates tied to the bank's prime interest rate.

NOTE C - Credit Agreements (continued)

The company's United Kingdom subsidiary has approximately $1,000,000 in a separate credit facility that generally supports periodic bonding and financial guarantee requirements arising out of routine trade activities. At December 31, 1998, guarantees under this facility were approximately $1,000,000.

The company had only nominal temporary borrowings under credit facilities during 1998 and 1997. Cash outlays for interest approximate interest expense in each of the years ended December 31, 1998, 1997 and 1996. The fair value of cash advances under credit agreements approximates the carrying value due to the short-term maturity of these financial instruments.

NOTE D - Leases

The company leases certain plant, office space and equipment for varying periods. It is anticipated that in the normal course of business, leases will be renewed or replaced by other leases. Rent expense for all operating leases of plant and equipment was $3,600,000 in 1998, $2,700,000 in 1997, and $1,800,000 in 1996. Minimum future rental commitments under operating leases with initial or remaining lease terms in excess of one year at December 31, 1998, are as follows:

1999	$3,100,000
2000	2,400,000
2001	1,700,000
2002	1,200,000
2003	700,000
Total	$9,100,000

NOTE E - Contingent Liabilities

Various legal actions and proceedings have been or may be initiated or asserted against the company in the ordinary course of business, including those pertaining to environmental, contractual and general liability. While the company has provided reserves for the estimated ultimate liability of such claims, the final outcome could further impact operations and liquidity in future periods, but, in the opinion of management, will not have a materially adverse effect on the financial position of the company.

NOTE F - Stockholders' Equity

<TABLE>
<CAPTION>

	Preferred Stock	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
				(Thousands of dollars)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT JANUARY 1, 1996	$ 176	$ 2,583	$ 10,843	$ 40,922	$ (1,541)	$ 52,983
Net income	--	--	--	1,278	--	1,278
Currency translation adjustments	--	--	--	--	248	248
Comprehensive income	--	--	--	--	--	1,526
Exercise of stock options	--	3	42	--	--	45
BALANCE AT DECEMBER 31, 1996	176	2,586	10,885	42,200	(1,293)	54,554
Net income	--	--	--	6,468	--	6,468
Currency translation adjustments	--	--	--	--	(594)	(594)
Comprehensive income	--	--	--	--	--	5,874
Cash dividends paid on preferred stock .	--	--	--	(41)	--	(41)
Exercise of stock options	--	7	95	--	--	102
BALANCE AT DECEMBER 31, 1997	176	2,593	10,980	48,627	(1,887)	60,489
Net income	--	--	--	3,591	--	3,591
Currency translation adjustments	--	--	--	--	(601)	(601)
Comprehensive income	--	--	--	--	--	2,990
Cash dividends paid on preferred stock .	--	--	--	(9)	--	(9)
Cash dividends paid on common stock ($.40 per share)	--	--	--	(1,040)	--	(1,040)
Tax benefit from exercise of stock options	--	--	100	--	--	100
Exercise of stock options	--	26	399	--	--	425
BALANCE AT DECEMBER 31, 1998	$ 176	$ 2,619	$ 11,479	$ 51,169	$ (2,488)	$ 62,955

</TABLE>

As of January 1, 1998, the company adopted FASB Statement No. 130, "Reporting Comprehensive Income." Statement No. 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this statement had no impact on the company's net income or stockholders' equity. Statement No. 130 requires currency translation adjustments, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income. The only component of accumulated other comprehensive income (loss) for the company is currency translation adjustments.

The 5% cumulative Preferred Stock, which is redeemable at the election of the company, is entitled to 5 votes per share. In addition, the preferred shares may, at the election of the holder, be converted into common shares at a rate of 2.5

preferred shares for each common share. Cash dividends on common shares can be paid only after preferred dividends have been fully paid or declared and set aside for payment. The company's current loan agreement limits any dividend payments to 50% of the previous quarter's net income after having achieved positive net income for four consecutive quarters.

NOTE G - Stock Option Plans

The company's 1994 Incentive Stock Option Plan authorizes the grant of options to key employees and consultants for up to 750,000 shares of the company's common stock. Options granted have ten-year terms and generally become vested and exercisable at the end of five years. The 1997 Non-Employee Directors' Equity Incentive Plan authorizes the grant of options to outside directors for up to 50,000 shares of the company's common stock. Options under the 1997 Plan, which are granted automatically to outside directors following each annual meeting, have ten-year terms and become fully vested and exercisable at the end of six months. A summary of the company's stock option activity and related information for the years ended December 31 is as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
Number of shares under stock options:			
<S>	<C>	<C>	<C>
Outstanding at beginning of year	617,420	395,700	266,900
Granted	32,500	245,300	139,500
Exercised	(27,210)	(7,100)	(2,880)
Canceled	(10,380)	(16,480)	(7,820)
Outstanding at end of year	612,330	617,420	395,700
Exercisable at end of year	264,830	177,010	81,300
Weighted average exercise price:			
Granted	$ 29.62	$ 26.36	$ 18.30
Exercised	16.08	15.68	15.75
Canceled	18.19	17.50	15.43
Outstanding at end of year	21.23	20.51	16.67
Exercisable at end of year	18.34	16.71	15.85

</TABLE>

Information with respect to stock options outstanding and exercisable at December 31, 1998, is as follows:

<TABLE>
<CAPTION>

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
Range of Exercise Prices	Number Outstanding at 12/31/98	Weighted Average Remaining Life (in years)	Weighted Average Exercise Price	Number Exercisable at 12/31/98	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$13.85 - $17.31	203,730	5.5	$15.74	140,270	$15.75
$17.32 - $20.78	137,500	6.8	18.23	77,900	18.22
$20.79 - $24.24	77,300	8.1	21.46	21,200	21.47
$24.25 - $27.70	8,000	9.6	27.50	--	--
$27.71 - $31.16	178,800	8.9	28.89	18,460	28.88
$31.17 - $34.63	7,000	9.3	34.63	7,000	34.63
	612,330	7.2	$21.23	264,830	$18.34

</TABLE>

Pro forma information regarding net income and earnings per share is required by FASB Statement No. 123 and has been determined as if the company had accounted for its employee stock options under the fair value method of that statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions for 1998, 1997 and 1996, respectively: risk-free interest rates of 4.6%, 5.7% and 6.2%; volatility factors of the expected market price of the company's common stock of 32.7%, 32.5% and 27.1%; a weighted average expected life of the option of 6 years; and no dividend yield.

NOTE G - Stock Option Plans (continued)

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The pro forma information follows:
<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Pro forma net income	$ 2,580,000	$ 5,971,000	$ 1,067,000
Pro forma net income per share			
Basic	$ .99	$ 2.30	$ .41

Diluted	$ .90	$ 2.14	$ .40

</TABLE>

NOTE H - Earnings Per Share

Basic and diluted earnings per share are computed as follows:
<TABLE>
<CAPTION>

	1998	1997	1996
Numerator:			
<S>	<C>	<C>	<C>
Net income	$ 3,591,000	$ 6,468,000	$ 1,278,000
Preferred stock dividends	(9,000)	(9,000)	(9,000)
Numerator for basic earnings per share - income available to common stockholders	3,582,000	6,459,000	1,269,000
Effect of dilutive securities:			
Preferred stock dividends	9,000	9,000	9,000
Numerator for diluted earnings per share - income available to common stockholders after assumed conversions	$ 3,591,000	$ 6,468,000	$ 1,278,000
Denominator:			
Denominator for basic earnings per share - weighted average shares	2,611,915	2,587,662	2,584,154
Effect of dilutive securities:			
Stock options	171,210	136,212	37,157
Convertible preferred stock	70,380	70,380	70,380
Dilutive potential common shares	241,590	206,592	107,537
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	2,853,505	2,794,254	2,691,691
Basic net income per share	$ 1.37	$ 2.50	$ .49
Diluted net income per share	$ 1.26	$ 2.31	$ .47

</TABLE>

NOTE I - Income Taxes
<TABLE>
<CAPTION>

	1998	1997	1996
		(Thousands of dollars)	
<S>	<C>	<C>	<C>
Income before income taxes consisted of the following:			
United States	$ 8,667	$ 8,221	$ 2,371
Other countries	(437)	2,004	381
Total	$ 8,230	$ 10,225	$ 2,752
Income tax provision consisted of the following:			
Current:			
Federal	$ 1,395	$ 2,828	$ 784
State	315	677	50
Other countries	1,164	399	494
	2,874	3,904	1,328
Deferred	1,765	(147)	146
TOTAL INCOME TAX EXPENSE	$ 4,639	$ 3,757	$ 1,474
NET INCOME TAXES PAID	$ 3,469	$ 2,882	$ 924

</TABLE>

The differences between the provision for income taxes and income tax expense using the U.S. federal statutory rate were as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
	Thousands of dollars)		
<S>	<C>	<C>	<C>
Tax expense at the federal statutory rate (34%)	$ 2,798	$ 3,477	$ 936
Losses in countries for which no tax benefit is recognized	1,073	511	274
Losses in countries for which benefit is recognized currently	--	(897)	(15)
Other countries' rate differences	239	103	105
State income tax, net of federal tax benefit	414	374	100
Permanent differences	161	102	74
Other	(46)	87	--
Provision for income taxes	$ 4,639	$ 3,757	$ 1,474

</TABLE>

NOTE I - Income Taxes (continued)

The components of deferred tax liabilities and assets are as follows:
<TABLE>
<CAPTION>

	1998	1997	1996
	(Thousands of dollars)		
<S>	<C>	<C>	<C>
Deferred tax liabilities:			
Tax over book depreciation	$ 1,580	$ 1,776	$ 1,915
Prepaid pension costs	6,303	4,522	4,197
Total deferred tax liabilities	7,883	6,298	6,112
Deferred tax assets:			
Net operating loss carryforwards - other countries	3,136	2,293	3,161
Postretirement medical benefits	1,385	1,453	1,489
Inventories	1,546	1,655	1,475
Vacation obligations	595	535	460
Alternative minimum tax credits	--	--	264
Accruals and reserves	1,824	1,816	1,315
Total deferred tax assets	8,486	7,752	8,164
Valuation allowance for deferred tax assets	(3,362)	(2,519)	(3,161)
Net deferred tax assets	5,124	5,233	5,003
Net deferred tax liabilities	$ 2,759	$ 1,065	$ 1,109

</TABLE>

The company's international subsidiaries have net operating loss carryforwards that amount to approximately $9.0 million for income tax purposes, including approximately $6.3 million with unlimited expiration. The balance of $2.7 million expires in varying amounts beginning in years 1999 though 2006. For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax assets related to these carryforwards. Utilization of these net operating losses is contingent upon various international operations generating sufficient taxable income, which cannot be ascertained at this time.

NOTE J - Employee Retirement Plans

The company has defined benefit pension plans that cover substantially all United States and Canadian employees. These plans provide benefits based upon years of service and compensation prior to retirement. Pension costs are funded as actuarially determined and to the extent cash contributions are deductible for tax purposes.

<TABLE>
<CAPTION>

	1998	1997
	(Thousands of dollars)	
<S>	<C>	<C>
Change in plan assets		
Fair value of plan assets at beginning of year	$ 127,790	$ 103,724
Actual return on plan assets	15,025	30,168
Currency exchange rate changes	(320)	(254)
Benefits paid	(2,328)	(2,294)
Curtailments or settlements	(861)	(3,190)
Other (administrative expenses)	(342)	(364)
Fair value of plan assets at end of year	138,964	127,790
Change in pension obligation		
Pension obligation at beginning of year	58,183	56,583
Service cost	2,672	2,450
Interest cost	4,027	3,830
Actuarial losses	5,380	1,402
Currency exchange rate changes	(188)	(232)
Benefits and settlements paid	(3,189)	(2,294)
Curtailments or settlements	(889)	(3,556)
Pension obligation at end of year	65,996	58,183
Funded status of the plan	72,968	69,607
Unrecognized actuarial gains	(53,810)	(54,461)
Unrecognized transition asset	(3,748)	(4,458)
Unamortized prior service cost	822	925
Prepaid pension costs	$ 16,232	$ 11,613

</TABLE>

Significant assumptions used in accounting for the pension plans are:

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Weighted average discount rate	6.50%	7.00%
Long-term rate of return on plan assets	8.00%	8.00%
Rate of increase in future compensation levels	Graded from 7.44% to 2.80% at ages 21 to 60	Graded from 7.44% to 2.80% at ages 21 to 60

</TABLE>

NOTE J - Employee Retirement Plans (continued)

<TABLE>
<CAPTION>

	1998	1997	1996
	(Thousands of dollars)		
<S>	<C>	<C>	<C>
Components of net periodic pension income:			
Service cost	$ 2,672	$ 2,450	$ 2,626
Interest cost	4,027	3,830	4,141
Actual return on plan assets	(15,025)	(30,168)	(19,677)
Amortization of prior service cost	55	55	73
Amortization of transition asset	(641)	(649)	(796)
Net amortization and deferral	5,233	23,369	12,993
Gain due to settlements or curtailments	(944)	--	(3,066)
Net periodic pension income	$ (4,623)	$ (1,113)	$ (3,706)

</TABLE>

In addition to the defined benefit plans described above, the company also sponsors defined contribution plans within the United States and the United Kingdom. Under the U.S. plan, the company matches 50% of participants' tax deferred contributions on the first 4% of participants' compensation. The U.K. plans cover all full-time employees and provide for contributions of 6% of salary. Amounts charged to expense for these plans were approximately $1,004,000 in 1998, $906,000 in 1997, and $764,000 in 1996.

NOTE K - Postretirement Benefits Other Than Pensions

The company provides medical insurance benefits to early retirees in the United States until they reach age 65. A summary of the changes in the unfunded accumulated postretirement benefit obligation and reconciliation to the accrued postretirement medical benefit cost follows.

	1998	1997
	(Thousands of dollars)	
Benefit obligation at beginning of year	$ 3,129	$ 3,136
Service cost	108	92
Interest cost	210	213
Actuarial losses	45	--
Changes in actuarial assumptions	150	65
Benefits paid	(416)	(377)
Settlements	106	--
Benefit obligation at end of year	3,332	3,129
Unrecognized net gain	316	518
Settlements	(106)	--
Unrecognized prior service cost	12	13
Accrued postretirement medical benefit cost	$ 3,554	$ 3,660

The discount rate used in determining the accumulated postretirement benefit obligation was 6.50% at December 31, 1998, and 7.00% at December 31, 1997.

	1998	1997	1996
	(Thousands of dollars)		
Components of net periodic benefit costs			
Service cost of benefits earned	$ 108	$ 92	$ 86
Interest cost	210	213	183
Net amortization and deferral	(8)	(15)	(17)
Net periodic benefit costs	$ 310	$ 290	$ 252

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 7.00% in 1998 (same as the rate previously assumed for 1997) and is assumed to remain at that level thereafter. The assumed health care cost trend rate has a significant effect on the amounts reported. A one-percentage-point change in this rate would have the following effects:

<TABLE>
<CAPTION>

<S>	1-Percentage-Point Increase <C>	1-Percentage-Point Decrease <C>
	(Thousands of dollars)	
Effect on total of service and interest cost components in 1998	$ 42	$ (35)
Effect on postretirement benefit obligation as of December 31, 1998	$ 300	$(260)

</TABLE>

NOTE L - Quarterly Data (Unaudited)
(Thousands of dollars, except per share data)

<TABLE>
<CAPTION>

	1998 Quarter Ended			
<S>	March 31 <C>	June 30 <C>	September 30 <C>	December 31* <C>

Net sales	$38,356	$43,642	$40,738	$45,377
Gross profit	15,459	16,973	15,810	15,312
Net income	1,202	1,356	577	456
Net income per share:				
Basic	$ .46	$ .52	$ .22	$ .17
Diluted	.41	.47	.20	.16
Stock price range:				
High	36 1/2	36	30 3/8	28
Low	31 1/2	27 3/4	20	18

</TABLE>

*See Note B for explanation of unusual item.

<TABLE>
<CAPTION>

	1997 Quarter Ended			
	March 31	June 30	September 30	December 31
<S>	<C>		<C>	<C>
Net sales	$37,818	$37,897	$40,423	$48,109
Gross profit	15,468	15,974	17,357	20,339
Net income	1,055	1,048	1,787	2,578
Net income per share:				
Basic	$ .41	$ .40	$ .69	$ .99
Diluted	.38	.38	.65	.90
Stock price range:				
High	26 1/2	23 1/2	24 1/2	39 1/4
Low	18	20 3/4	21	23 5/16

</TABLE>

NOTE M - Segment and Geographic Information

The company operates exclusively in one industry segment, the business of developing, manufacturing and selling process measurement and control instruments and systems. In addition to its principal manufacturing operations and markets in the United States, the company conducts sales, customer support and service operations out of other locations in Europe, North America and Asia-Pacific. The following table presents financial information by geographic region for the years 1998, 1997 and 1996.

<TABLE>
<CAPTION>

	United States	Europe	Other	Eliminations	Consolidated
			(Thousands of dollars)		
1998					
<S>	<C>	<C>	<C>	<C>	<C>
Sales to unaffiliated customers	$120,518	$ 28,565	$ 19,030	$ --	$168,113
Sales and transfers between geographic areas	16,278	2,035	2,178	(20,491)	--
Total revenue	$136,796	$ 30,600	$ 21,208	$(20,491)	$168,113
Operating income (loss)	$ 9,013	$ (2,482)	$ 2,127	$ (294)	$ 8,364
Net property, plant and equipment	12,118	2,188	1,609	--	15,915
Total assets	84,891	18,968	13,992	(15,884)	101,967
1997					
Sales to unaffiliated customers	$121,687	$ 23,403	$ 19,157	$ --	$164,247
Sales and transfers between geographic areas	16,062	1,032	2,822	(19,916)	--
Total revenue	$137,749	$ 24,435	$ 21,979	$(19,916)	$164,247
Operating income	$ 8,180	$ 2,133	$ 37	$ 47	$ 10,397
Net property, plant and equipment	11,774	1,931	1,564	--	15,269
Total assets	79,427	18,606	11,462	(15,503)	93,992
1996					
Sales to unaffiliated customers	$104,898	$ 18,582	$ 19,412	$ --	$142,892
Sales and transfers between geographic areas	16,039	1,263	2,609	(19,911)	--
Total revenue	$120,937	$ 19,845	$ 22,021	$(19,911)	$142,892

Operating income (loss)	$ 2,901	$ (533)	$ 1,209	$ (359)	$ 3,218
Net property, plant and equipment	12,806	2,034	1,704	--	16,544
Total asset	73,353	12,606	12,087	(11,999)	86,047

</TABLE>

In the previous table, "United States" includes all domestic operations. "Other" includes subsidiaries located in Canada, Mexico, Australia and Singapore. Sales between geographic areas are accounted for at cost plus a reasonable profit. Total assets are those assets identified with the operations in each area. United States sales to unaffiliated customers include export sales of $13.9 million in 1998, $12.0 million in 1997 and $12.9 million in 1996.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders of Moore Products Co.

We have audited the accompanying consolidated balance sheets of Moore Products Co. as of December 31, 1998 and 1997, and the related consolidated income statements and statements of cash flows for each of the three years in the period ended December 31, 1998. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Moore Products Co. at December 31, 1998 and 1997, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

\s\ Ernst & Young LLP

Philadelphia, Pennsylvania
January 28, 1999

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

As indicated in the following table, the information required to be presented in Part III of this report (other than the information concerning executive officers as set forth at the end of Item 4 herein) is hereby incorporated by reference to Moore's definitive Proxy Statement for its 1999 Annual Meeting of Shareholders, to be filed with the Securities and Exchange Commission within 120 days of the end of the fiscal year covered by this report:

<TABLE>
<S> <C>

Form 10-K Item No. and Item Caption	Material in Proxy Statement for 1999 Annual Meeting which is incorporated herein by reference Caption
10 Directors and Executive Officers of Moore.	"1. ELECTION OF DIRECTORS" and "COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934"

11 Executive Compensation.	"ADDITIONAL INFORMATION"
12 Security Ownership of Certain Beneficial Owners and Management.	"Beneficial Ownership of Principal Shareholders and Management"
13 Certain Relationships and Related Transactions.	"Compensation of Directors"

</TABLE>

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)(1) Financial Statements

The following consolidated financial statements of Moore and its subsidiaries are included in Item 8:

Consolidated Income Statements - Years ended December 31, 1998, 1997 and 1996

Consolidated Balance Sheets - December 31, 1998 and December 31, 1997

Consolidated Statements of Cash Flows - Years ended December 31, 1998, 1997 and 1996

Notes to Consolidated Financial Statements - December 31, 1998

Report of Independent Auditors

(a)(2) Financial Statement Schedule

	Page	Schedule Number
Valuation and Qualifying Accounts	37	II

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(a)(3) Exhibits

Exhibit Number	Description
3a	Restated Articles of Incorporation. (Incorporated by reference to Exhibit 3a to Moore's 1997 Form 10-K.)
3b	By-Laws, as amended through October 30, 1998. (Filed herewith.)
4	Instruments defining the rights of security holders. (Reference is made to (i) Articles 5 and 10 of Moore's Articles of Incorporation (Exhibit 3a to this report) and (ii) Articles III, IV, VIII, X and XIII of Moore's By-Laws (Exhibit 3b to this report).)
10a	Registration Rights Agreement entered into as of December 18, 1995, between Moore Products Co. and Mellon Bank N.A., as trustee for the Moore Products Co. Pension Plan. (Incorporated by reference to Exhibit 10 to Moore's 1995 Form 10-K.)
10b*	1994 Incentive Stock Option and Non-qualified Stock Option Plan, as amended. (Incorporated by reference to Exhibit 10a to Moore's Form 10-Q for the quarter ended September 30, 1997.)

Exhibit Number	Description
10c*	1997 Non-Employee Directors' Equity Incentive Plan. (Incorporated by reference to Exhibit 10b to Moore's Form 10-Q for the quarter ended September 30, 1997.)
10d*	Form of agreement with Raymond M. Reed, dated June 7, 1996.

(Incorporated by reference to Exhibit 10a to Moore's Form 10-Q for the quarter ended September 30, 1996.)

10e* Form of agreement with Edward T. Hurd, dated June 13, 1996. (Incorporated by reference to Exhibit 10b to Moore's Form 10-Q for the quarter ended September 30, 1996.)

10f* Summary of Employment Terms with Donald E. Bogle. (Incorporated by reference to Exhibit 10g to Moore's Form 10-K for the year ended December 31, 1997.)

21 Subsidiaries of Moore. (Filed herewith.)

23 Consent of Independent Auditors. (Filed herewith.)

27.1 Financial Data Schedule for Year Ended December 31, 1998. (Filed herewith.)

27.2 Restated Financial Data Schedule for Years Ended December 31, 1997 and 1996. (Filed herewith.)

27.3 Restated Financial Data Schedule for Quarters Ended March 31,1997, June 30, 1997 and September 30, 1997. (Filed herewith.)

* Indicates a management contract, arrangement or compensatory plan.

(b) No reports on Form 8-K were filed by Moore during the last quarter of 1998.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Moore has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOORE PRODUCTS CO.

\s\ D. E. Bogle

Date: March 25, 1999 — D. E. Bogle, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Moore and in the capacities and on the dates indicated.

	\s\ D. E. Bogle
Date: March 25, 1999	D. E. Bogle, President, Chief Executive Officer and Director
	s\ E. J. Curry
Date: March 25, 1999	E. J. Curry, Executive Vice President, Chief Operating Officer and Director
	\s\ R. E. Wisniewski
Date: March 25, 1999	R. E. Wisniewski Secretary and Treasurer (Principal Financial & Accounting Officer)
Date:	R. B. Adams, Director
Date:	F. L. Hindle, Director
	\s\ E. T. Hurd
Date: March 25, 1999	E. T. Hurd, Director
	\s\ J. O. Moore
Date: March 25, 1999	J. O. Moore, Director
Date:	T. C. Moore, Director

	\s\ W. B. Moore
Date: March 25, 1999	W. B. Moore, Director
Date:	R. H. Owens, Director
Date:	R. M. Reed, Director
	\s\ E. G. Rorke
Date: March 25, 1999	E. G. Rorke, Director

EXHIBIT INDEX

Exhibit Number	Description
3b	By-Laws, as amended through October 30, 1998. (Filed herewith.)
21	Subsidiaries of Moore. (Filed herewith.)
23	Consent of Independent Auditors. (Filed herewith.)
27.1	Financial Data Schedule for Year Ended December 31, 1998. (Filed herewith.)
27.2	Restated Financial Data Schedule for Years Ended December 31, 1997 and 1996. (Filed herewith.)
27.3	Restated Financial Data Schedule for Quarters Ended March 31, 1997, June 30, 1997 and September 30, 1997. (Filed herewith.)

Moore Products Co.

SCHEDULE II - Valuation and Qualifying Accounts

<TABLE>
<CAPTION>

		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts - Describe	Deductions - Describe	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
YEAR ENDED DECEMBER 31, 1998 Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts	$1,771,000	$ 42,000	$---	$ 600,000(1)	$1,213,000
YEAR ENDED DECEMBER 31, 1997 Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts	$ 830,000	$1,016,000	$---	$ 75,000(1)	$1,771,000
YEAR ENDED DECEMBER 31, 1996 Reserves and allowances deducted from asset accounts:					
Allowance for doubtful accounts	$ 205,000	$ 647,000	$---	$ 22,000(1)	$ 830,000

</TABLE>

(1) Recoveries, uncollectible accounts written off, and foreign currency translation adjustments.

Exhibit 3b

B Y - L A W S

MOORE PRODUCTS CO.

Amended Through October 30, 1998

B Y - L A W S

MOORE PRODUCTS CO.

ARTICLE I - OFFICES

1. The registered office of the corporation shall be at Sumneytown Pike, Spring House, Pennsylvania 19477.

2. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the business of the corporation may require.

ARTICLE II - SEAL

1. The Corporate Seal shall have inscribed thereon the name of the corporation, the year of its organization, and the words "Corporate Seal, Pennsylvania."

ARTICLE III - SHAREHOLDERS' MEETING

1. Meetings of the shareholders shall be held at the office of the corporation at Sumneytown Pike, Spring House, Pennsylvania 19477, or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time be stated in the notice of meeting.

2. The annual meeting of the shareholders shall be held at a date to be fixed by the Board of Directors between April 15th and May 15th inclusive in each year, when they shall elect directors, and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six months after the designated time, any shareholder may call such meeting.

3. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of each class entitled to vote shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the Articles of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the shareholders, those entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite number of shares shall be present. In the case of any meeting called for the election of directors, adjournment or adjournments may be taken only from day to day until such directors have been elected, and those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.

4. At each meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such shareholder and delivered to the secretary at the meeting. No unrevoked proxy shall be valid after eleven months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy, unless coupled with an interest, be voted on after three years from the date of its execution. In all elections for directors, no cumulative voting shall be allowed. Except upon demand made by a shareholder at an election for directors before the voting begins, the election need not be by ballot. No share shall be voted at any meeting upon which any installment is due and unpaid. The original share ledger or transfer book, or a duplicate thereof kept in this Commonwealth, shall be prima facie evidence of the right of the person named therein to vote thereon.

5. Written notice of the annual meeting shall be mailed to each shareholder entitled to vote thereat, at such address as appears on the books of the corporation, at least ten (10) days prior to the meeting.

6. In advance of any meeting of shareholders, the Board of Directors may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election be not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy, shall make such appointment at the meeting. The number of judges shall be one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one or three judges are to be appointed. On request of the chairman of the meeting, or of any shareholder or his proxy, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. No person who is a candidate for office shall act as a judge.

7. Special meetings of the shareholders may be called at any time by the President, or the Board of Directors, or the holders of not less than one-fifth

of any class of shares outstanding and entitled to vote. At any time, upon written request of any person entitled to call a special meeting, it shall be the duty of the Secretary to call a special meeting of the shareholders, to be held at such time as the secretary may fix, not less than ten (10) nor more than sixty (60) days after receipt of the request.

8. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.

9. Written notice of a special meeting of shareholders stating the time and place and object thereof, shall be mailed, postage prepaid, to each shareholder entitled to vote thereat at such address as appears on the books of the corporation, at least ten (10) days before such meeting, unless a greater period of notice is required by statute in a particular case.

10. The officer or agent having charge of the transfer books shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list shall be subject to inspection by any shareholder at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this Commonwealth, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book, or to vote in person or by proxy, at any meeting of the shareholders.

ARTICLE IV - DIRECTORS

1. The business of the corporation shall be managed by a Board of Directors, not less than five nor more than eleven in number, who need not be residents of this Commonwealth or shareholders of this corporation. The Board shall be divided into four classes of directors. At the annual meeting of the shareholders held in 1973, the shareholders shall elect four classes of directors to serve for terms of four years, three years, two years and one year. At each annual meeting of the shareholders held after 1973, the shareholders shall elect one class of directors to serve for a term of four years. The total number of directors and the number of directors in each class (all of which shall be as nearly equal as possible), shall be fixed by resolution of the Board, and may be changed from time to time by resolution of the Board prior to any election. Directors may also be elected for terms less than four years, to fill vacancies or to equalize the classes of directors.

The Board of Directors shall choose one director to serve as Chairman. The Chairman shall hold office for one year or until a successor is chosen and has qualified. The Chairman shall preside at all meetings of the shareholders and directors at which such Chairman is present and shall have such further authority and duties as from time to time shall be prescribed by the Board. The position of Chairman may also be accorded officerial status if expressly so prescribed by resolution of the Board pursuant to Section 1 of Article V of these By-Laws.

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior thereto.

2. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles or by these By-Laws directed or required to be exercised or done by the shareholders.

3. The meetings of the Board of Directors may be held at such place within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

4. Each newly elected Board shall meet at such place and time as may be fixed by the shareholders at the meeting at which such directors are elected and no notice shall be necessary to the newly elected directors in order legally to constitute the meeting, or (if such place and time are not fixed by the shareholders) they may meet at such place and time as may be fixed by the consent in writing of all the directors.

5. Regular meetings of the Board shall be held without notice on the fourth Friday of February, and the first Friday of May, August, and November at 11:30 o'clock A.M. at the registered office of the corporation, or at such other time and place as shall be determined by the Board.

6. Special meetings of the Board may be called by the President on one day's notice to each director, either personally or by mail or by telegram; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

7. A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If all the directors shall severally or collectively consent in writing to any action to be taken by the corporation, such action shall be as valid corporate action as though it had been authorized at a meeting of the Board of Directors.

8. Directors as such, shall not receive any stated salary for their services, but by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special

meeting of the Board PROVIDED, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

9. A director of the Corporation shall not be personally liable for monetary damages for any action taken, or any failure to take any action, as a director to the fullest extent permitted under the terms of the Directors' Liability Act, 42 Pa. C.S. S8361 et seq., as the same may be amended from time to time, or under any applicable Pennsylvania statute thereafter enacted. This limitation of liability shall be effective, to the extent permitted by applicable law, with respect to any actions taken or omitted occurring on or after January 27, 1987. Any repeal or modification of this section shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

ARTICLE V - OFFICERS

1. The officers of the corporation shall be chosen by the Board of Directors and shall be a President, Secretary and Treasurer. The Board of Directors may also, by resolution, accord officerial status to the Chairman, and may choose as officers one or more Vice-Presidents and such other officers, assistants and agents as it shall deem

necessary. The foregoing officers shall have such authority and shall perform such duties as from time to time shall be prescribed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. It shall not be necessary for the officers to be directors.

2. The salaries of all officers of the corporation shall be fixed by the Board of Directors. The salaries of assistants, agents or employees shall be fixed by the President or by such subordinate as he may designate.

3. The officers of the corporation shall hold office for one year and until their successors are chosen and have qualified. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interests of the corporation will be served thereby.

4. The President shall be the chief executive officer of the corporation; he shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the corporation. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation. He shall be EX-OFFICIO a member of all committees, and shall have the general powers and duties of supervision and management usually vested in

the office of President of a corporation.

5. The Secretary shall attend all sessions of the Board and all meetings of the shareholders and act as clerk thereof, and record all the votes of the corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it.

6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall keep the moneys of the corporation in a separate account to the credit of the corporation. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

ARTICLE VI - VACANCIES

1. If the office of any officer, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

2. Vacancies in the Board of Directors shall be filled by a majority of the remaining members of the Board though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior thereto, to serve for the unexpired term of the director whose place is being filled.

ARTICLE VII - CORPORATE RECORDS

There shall be kept at the registered office of the corporation an original or duplicate record of the proceedings of the shareholders and of the directors, and the original or a copy of its By-Laws, including all amendments or

alterations thereto to date, certified by the Secretary of the corporation. An original or duplicate share register shall also be kept at the registered office, or at the office of a transfer agent within this Commonwealth, giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and classes of shares held by each, the number and date of certificates issued for the shares, and the number and date of cancellation of every certificate surrendered for cancellation.

ARTICLE VIII - CAPITAL STOCK

1. Certificates for Shares. Subject to the requirements prescribed by law, the share certificates of the corporation shall be in such form as shall be approved by the Board of Directors. The certificates of each class shall be distinctively marked and shall be consecutively numbered and registered in the share register as they are issued. Every share certificate shall be signed by the President or Vice-President and the Secretary or the Treasurer, either manually or by facsimile signature as permitted by law, and shall be sealed with the corporate seal which may be a facsimile, engraved or printed. In case any officer who has signed or whose facsimile signature appears on any share certificate shall have ceased to be such officer because of death, resignation or otherwise, before the certificate is issued, it may be issued by the corporation with the same effect as if the officer had not ceased to be such as of the date of its issue.

2. Registered Shareholders. The corporation shall be entitled to treat the registered holder of any share or shares as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as otherwise expressly provided by statute.

3. Transfers of Shares. Shares of the corporation shall be transferred only on its books upon the surrender to the corporation or its transfer agent of the share certificate or certificates therefor duly endorsed by the person named therein, or accompanied by proper evidence of succession, assignment or authority to transfer such shares. In such event, the surrendered certificate or certificates shall be canceled, a new certificate or certificates shall be issued to the person entitled thereto, and the transaction shall be recorded upon the books of the corporation.

4. Lost, Destroyed and Mutilated Certificates. The Board of Directors, by standing resolution or by resolutions with respect to particular cases, may authorize the issue of new share certificates in lieu of share certificates lost, destroyed or mutilated, upon such terms and conditions as the Board may direct or as any transfer agent and/or registrar appointed by the Board may determine.

5. Directors May Fix Record Date. The Board of Directors may fix a time not less than seven or more than seventy days prior to the date of any meeting of the shareholders, or the date fixed for the payment of any dividend or distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares will be made or go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend or distribution, or to receive any such allotment of rights, or to exercise the rights in respect to any such change, conversion or exchange of shares. In such case, only such shareholders as shall be shareholders of record

on the date so fixed shall be entitled to notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after any record date so fixed.

6. Subject to the provisions of the statutes, the Board of Directors may declare and pay dividends upon the outstanding shares of the corporation out of its surplus from time to time and to such extent as they deem advisable, in cash, property or in shares of the corporation.

7. Before payment of any dividend, there may be set aside out of the net profits of the corporation such sum or sums as the directors, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any

property of the corporation, or for such other purposes as the directors shall think conducive to the interests of the corporation, and the directors may abolish any such reserve in the manner in which it was created.

ARTICLE IX - INDEMNIFICATION

The corporation shall indemnify each and all of its directors and officers and any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, notwithstanding that he may have ceased to be such, against all costs, damages, or expenses, including attorney's fees, which may be imposed upon or actually and necessarily incurred by them or any of them in connection with or resulting from any claim, action, suit or proceeding in which they, or any of them, may be involved or are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, or by reason of any action alleged to have been taken or omitted by them or any of them in either such capacity, except in relation to matters as to which any such director or officer or former director or officer, or person, shall be finally adjudged in such action, suit or proceeding, to be liable for conduct amounting to bad faith; and except that, in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the corporation is advised by counsel that in the opinion of counsel the person to be indemnified was not liable for conduct amounting to bad faith. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of stockholders or otherwise, and such right of indemnification shall enure to the benefit of the heirs, executors and administrators of any such director or officer or person.

ARTICLE X - MISCELLANEOUS PROVISIONS

1. All checks or demands for money and notes of the corporation shall be

signed by such one or more officers or agents, in such combinations, as the Board of Directors may from time to time designate.

2. The fiscal year shall begin the first day of January each year.

3. Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the mail, or by telegram, charges prepaid, to his address appearing on the books of the corporation, or supplied by him to the corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.

4. Whenever any written notice is required by statute, or by the Articles or By-Laws of this corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting, neither the business to be transacted at nor the purpose of the meeting need be specified in the waiver of notice of such meeting. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

5. It is specifically provided that Section 910 of the Pennsylvania Business Corporation Law shall not be applicable to Moore Products Co.

6. The following provisions of the Act of April 27, 1990 (No. 36) amending the Pennsylvania Business Corporation Law of 1988 and related statutes shall not be applicable to the Corporation: (1) Subchapter G of Chapter 25 (15 Pa. C.S.

S2561 through S2567) (including Subchapters I (15 Pa. C.S. S2581 though S2583) and J (15 Pa. C.S. S2585 through S2588) which are dependent upon Subchapter G); and (2) Subchapter H of Chapter 25 (15 Pa. C.S. S2571 through S2575). This Section shall be effective July 25, 1990.

ARTICLE XI - ANNUAL STATEMENT

1. The President shall cause to be sent to the shareholders prior to each annual meeting a full and complete statement of the business and affairs of the corporation for the preceding year, certified by independent certified public accountants.

ARTICLE XII - EXECUTIVE COMMITTEE

The Board of Directors may by resolution adopted by a majority of the whole

Board designate two or more of its number to constitute an Executive Committee, which to the extent provided in such resolution shall have and exercise the authority of the Board of Directors in the management of the business of the corporation. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. The Executive Committee shall keep records of its actions and report the same to the Board when required.

ARTICLE XIII - AMENDMENTS

1. These By-Laws may be altered, amended or repealed by the affirmative vote of a majority of the shares issued and outstanding and entitled to vote thereat at any regular or special meeting of the shareholders, if notice of the proposed alteration, amendment or repeal be contained in the notice of the meeting.

2. These By-Laws may also be altered, amended or repealed by the vote of a majority of the whole Board of Directors at any regular meeting or at a special meeting duly convened after notice to the directors of that purpose, subject always to the power of the shareholders to change such action by the directors.

Exhibit 21

SUBSIDIARIES OF REGISTRANT*

Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Moore Products Co. (Canada) Inc.	Canada
Moore Products Co. (U.K.) Limited	England
Moore Products Co. B.V.	Netherlands
Moore Products Co. (Italia) S.r.l.	Italy
Moore Products Co. (Australia) Pty. Ltd.	Australia
Moore Products Co (S) Pte Ltd	Singapore
Moore Products de Mexico S.A. de C.V.	Mexico

*The names of certain subsidiaries are omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K.

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-82948 and No. 333-41895) pertaining to the Incentive Stock Option and Non-Qualified Stock Option Plan and Registration Statement (Form S-8 No. 333-41893) pertaining to the 1997 Non-Employee Directors' Equity Incentive Plan of Moore Products Co. of our report dated January 28, 1999, with respect to the consolidated financial statements and schedule of Moore Products Co. included in the Annual Report (Form 10-K) for the year ended December 31, 1998.

\s\ Ernst & Young LLP

Philadelphia, Pennsylvania
March 25, 1999

<TABLE> <S> <C>

<ARTICLE>	5
<S>	<C>
<PERIOD-TYPE>	12-MOS
<FISCAL-YEAR-END>	DEC-31-1998
<PERIOD-END>	DEC-31-1998
<CASH>	7549000
<SECURITIES>	0
<RECEIVABLES>	43158000
<ALLOWANCES>	1213000
<INVENTORY>	15932000
<CURRENT-ASSETS>	69820000
<PP&E>	63182000
<DEPRECIATION>	47267000
<TOTAL-ASSETS>	101967000
<CURRENT-LIABILITIES>	29820000
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	176000
<COMMON>	2619000
<OTHER-SE>	0
<TOTAL-LIABILITY-AND-EQUITY>	101967000
<SALES>	168113000
<TOTAL-REVENUES>	168113000
<CGS>	104559000
<TOTAL-COSTS>	104559000
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	134000
<INCOME-PRETAX>	8230000
<INCOME-TAX>	4639000
<INCOME-CONTINUING>	3591000
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	3591000
<EPS-PRIMARY>	1.37
<EPS-DILUTED>	1.26

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<RESTATED>

<S>	<C>	<C>
<PERIOD-TYPE>	12-MOS	12-MOS
<FISCAL-YEAR-END>	DEC-31-1997	DEC-31-1996
<PERIOD-END>	DEC-31-1997	DEC-31-1996
<CASH>	3816000	4066000
<SECURITIES>	0	0
<RECEIVABLES>	42539000	31371000
<ALLOWANCES>	1771000	830000
<INVENTORY>	18317000	21479000
<CURRENT-ASSETS>	67110000	59694000
<PP&E>	59526000	58183000
<DEPRECIATION>	44257000	41639000
<TOTAL-ASSETS>	93992000	86047000
<CURRENT-LIABILITIES>	25875000	24367000
<BONDS>	0	0
<PREFERRED-MANDATORY>	0	0
<PREFERRED>	176000	176000
<COMMON>	2593000	2586000
<OTHER-SE>	0	0
<TOTAL-LIABILITY-AND-EQUITY>	93992000	86047000
<SALES>	167247000	142892000
<TOTAL-REVENUES>	167247000	142892000
<CGS>	95109000	83751000
<TOTAL-COSTS>	95109000	83751000
<OTHER-EXPENSES>	0	0
<LOSS-PROVISION>	0	0
<INTEREST-EXPENSE>	172000	466000
<INCOME-PRETAX>	10225000	2752000
<INCOME-TAX>	3757000	1474000
<INCOME-CONTINUING>	6468000	1278000
<DISCONTINUED>	0	0
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	6468000	1278000
<EPS-PRIMARY>	2.50	.49
<EPS-DILUTED>	2.31	.47

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<RESTATED>

<S>	<C>	<C>	<C>
<PERIOD-TYPE>	3-MOS	6-MOS	9-MOS
<FISCAL-YEAR-END>	DEC-31-1997	DEC-31-1997	DEC-31-1997
<PERIOD-END>	MAR-31-1997	JUN-30-1997	SEP-30-1997
<CASH>	3197000	4736000	4622000
<SECURITIES>	0	0	0
<RECEIVABLES>	33694000	33877000	35697000
<ALLOWANCES>	830000	1771000	1771000
<INVENTORY>	20620000	21611000	21806000
<CURRENT-ASSETS>	60396000	62146000	64069000
<PP&E>	58205000	58940000	59436000
<DEPRECIATION>	42336000	43034000	43758000
<TOTAL-ASSETS>	86348000	88825000	90782000
<CURRENT-LIABILITIES>	23719000	25218000	25617000
<BONDS>	0	0	0
<COMMON>	2586000	2586000	2589000
<PREFERRED-MANDATORY>	0	0	0
<PREFERRED>	176000	176000	176000
<OTHER-SE>	0	0	0
<TOTAL-LIABILITY-AND-EQUITY>	86348000	88825000	90782000
<SALES>	37818000	75715000	116138000
<TOTAL-REVENUES>	37818000	75715000	116138000
<CGS>	22350000	44273000	67339000
<TOTAL-COSTS>	22350000	44273000	67339000
<OTHER-EXPENSES>	0	0	0
<LOSS-PROVISION>	0	0	0
<INTEREST-EXPENSE>	84000	167000	170000
<INCOME-PRETAX>	1442000	2987000	6152000
<INCOME-TAX>	387000	884000	2262000
<INCOME-CONTINUING>	1055000	2103000	3890000
<DISCONTINUED>	0	0	0
<EXTRAORDINARY>	0	0	0
<CHANGES>	0	0	0
<NET-INCOME>	1055000	2103000	3890000
<EPS-PRIMARY>	.41	.81	1.50
<EPS-DILUTED>	.38	.76	1.41

</TABLE>